

Message Text

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ACTION EB-07

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SUBJECT: ISLAMIC DEVELOPMENT BAN INAUGURATED

REF: A-35 JIDDA

1. THE INAUGURAL MEETING OF THE BOARD OF GOVERNORS OF THE ISLAMIC DEVELOPMENT BANK (IBD) WAS HELD IN RIYADH JULY 26-28, 1975. THE MEETING (FYI, IT WAS THE FIRST OFFICIAL FUNCTION TO TAKE PLACE IN THE CONFERENCE CENTER ATTACHED TO THE RECENTLY OPENED RIYADH INTERCONTINENTAL HOTEL) WAS ATTENDED BY FINANCE MINISTERS, CENTRAL BANK GOVERNORS AND OTHER REPRESENTING THE TWENTY-SEVEN SIGNATORY STATES TO THE IDB AGREEMENT. SHAYKH MOHAMMAD ABA AL-KHAYL, SAUDI MINISTER OF STATE FOR FINANCE, WAS ELECTED CHAIRMAN FOR THIS SESSION.

2. MAJOR ACHIEVEMENTS OF THE CONFERENCE WERE:

- A. ACCEPTANCE OF SYRIA AND AFGHANISTAN AS NEW MEMBERS.
- B. APPROVAL OF THE IBD BY-LAWS.
- C. ELECTION OF AHMAD MOHAMMAD ALI, DEPUTY MINISTER

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FOR TECHNICAL AFFAIRS IN THE SAUDI MINISTRY OF EDUCATION,

AS PRESIDENT OF THE IDB.

IT WAS ANNOUNCED THAT IDB IS EXPECTED TO COMPLETE ALL NECESSARY ADMINISTRATIVE ARRANGEMENTS AS SOON AS POSSIBLE, WITH THE HOPE OF BEGINNING OPERATION BY OCTOBER 20, 1975. JIDDA WILL BE THE HEADQUARTERS.

3. THE BANK'S SUBSCRIBED CAPITAL IS 750 MILLION ISLAMIC DINARS (ID). (THE ID IS EQUAL IN VALUE TO THE SDR, I.E. 1.2 BILLION DOLLARS.) IT HAS BEEN REPORTED THAT AUTHORIZED CAPITAL FOR THE IDB IS 2 BILLION ISLAMIC DINARS. TO DATE, THE PAID-IN-CAPITAL AMOUNTS TO 181 MILLION DOLLARS, REPRESENTING AN INITIAL INSTALLMENT OF TWENTY PERCENT. MEMBER STATES HAVE FIVE YEARS IN WHICH TO PAY IN THEIR FULL SUBSCRIBED SHARE. THE FOUR LARGEST SUBSCRIBERS ARE:

- A. SAUDI ARABIA 200 MILLION ID
- B. LIBYA 125 MILLION ID
- C. UAE 100 MILLION ID
- D. KYWAIT 50 MILLION ID

4. THE SAUDI ARABIAN MONETARY AGENCY (SAMA) WILL, IN THE BEGINNING, BE THE OPERATING AUTHORITY AND WILL ACT AS THE SECRETARIAT FOR THE IDB. SAMA WILL ACT AS REPOSITORY FOR ALL ORIGINAL COPIES OF THE CHARTER AGREEMENT (IN FRENCH, ENGLISH AND ARABIC) AND WILL ALSO BE RESPONSIBLE FOR SENDING COPIES OF THE AGREEMENT AND OTHER PAPERWORK TO ALL SIGNATORY MEMBERS, AS WELL AS STATES THAT MAY BECOME MEMBERS. SAMA WILL HOLD THE DEPOSITS FROM PARTICIPATING STATES AND WILL BE RESPONSIBLE FOR CIRCULATING INFORMATION CONCERNING DEPOSITS AND OTHER FINANCIAL MATTERS TO ALL MEMBERS.

5. THE CONFERENCE AGREED TO GIVE PERMANENT MEMBERSHIP IN THE EXECUTIVE DIRECTORATE OF IDB TO SAUDI ARABIA, LIBYA, UAE AND KUWAIT - THIS BY VIRTUE OF THEIR STATUS AS THE LARGEST CONTRIBUTORS TO THE IDB. SIX TEMPORARY EXECUTIVE DIRECTORS WERE CHOSEN - ONE EACH FROM: ALGERIA, EGYPT, GUINEA, MALAYSIA, NIGER, AND PAKISTAN.

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